

10-1-2019

Innovating authentically: Cultural differentiation in the animation sector

Susan Standing
Edith Cowan University

Craig Standing
Edith Cowan University

Follow this and additional works at: <https://ro.ecu.edu.au/ecuworkspost2013>



Part of the [Business Commons](#)

[10.1007/s11213-018-9473-8](https://ro.ecu.edu.au/ecuworkspost2013/6755)

This is a post-peer-review, pre-copyedit version of an article published in Systemic Practice and Action Research. The final authenticated version is Available online: Standing, S., & Standing, C. (2019). Innovating authentically: Cultural differentiation in the animation sector. *Systemic Practice and Action Research*, 32(5), 557-571. Available [here](#)

This Journal Article is posted at Research Online.
<https://ro.ecu.edu.au/ecuworkspost2013/6755>

Innovating Authentically: Cultural Differentiation in the Animation Sector

Susan Standing
s.standing@ecu.edu.au
Centre for Innovative Practice
School of Business and Law
Edith Cowan University
Joondalup
Australia

Craig Standing
c.standing@ecu.edu.au
Centre for Innovative Practice
School of Business and Law
Edith Cowan University
270 Joondalup Drive, Joondalup
Australia
Tel:61 8 63045545
Fax:61 8 63045555

An Examination of Authentic Innovation in the Animation Industry

Abstract: This paper examines the concept of authentic innovation and the development of the animation industry in Malaysia. Authenticity is a concept that has been investigated from philosophical and institutional perspectives in the quest to explain the role of self-fulfillment and decision-making. It links with systems thinking because authenticity as a strategy requires a holistic approach since it is based upon values that influence action. The desire for authenticity can create expression outside the norms and produce innovation. We present interpretations of authenticity, explain the concept of authentic innovation and relate this to three case studies of Malaysian animation studios. We found that cultural authenticity contributed to the uniqueness of the product and was a significant factor in the success of the animations in South East Asia. Challenges for maintaining authentic innovation arise primarily from economic pressure.

Keywords: Authenticity; culture; developing countries; creativity; social media; communication.

Introduction

Authenticity in business is an emerging concept that requires further research and exploration (Napoli, Dickinson, Beverland, & Farrelly, 2014). It can take many forms and is multi-faceted as a concept but can be a powerful business foundation when it resonates with consumers (Kapferer, 2012) and used as a driver of innovation (Beverland,

2009). To explore the concept of authentic innovation we focus on the animation sector in Malaysia and examine the key features of authenticity and the business development challenges that it brings.

The significance and uniqueness of the Malaysian animation sector can only be understood by setting within the structures of the global animation industry. The animation industry is dominated globally by a small number of major players including Warner Bros, Nickelodeon, Nippon, Walt Disney Animation and its subsidiary Pixar Animation Studios. Given this oligarchy of firms it is difficult for smaller animation firms or even firm clusters to break into the animation market. Indeed, the animation sectors in many developing countries function as a form of cost effective (cheap) labour for the major animation firms. Creating local or regional animations within Asia is challenging given the long-term trend of increasing US and English language based cultural products (Aoyama & Izushi, 2003).

The animation industry has become a major international economic force. The value of the global animation industry reached US\$222.8 billion, and animation-related merchandise and derivatives have passed US\$500 billion (Global and Chinese animation industry report 2012-2015, 2012). However, the animation sector presents many entry barriers for start-up organisations. One of the main barriers is the domination of the industry by large corporations. These major players are part of international production networks that exploit global labour pools; for example Japan in the 1960s, to South Korea, Taiwan and more recently the Philippines, Singapore, Vietnam, Thailand, India, Indonesia and China (Yoon & Maleck, 2009).

Given the global animation industry profile it is somewhat surprising that Malaysia, with little tradition in the animation industry, has been able to develop a number of small animation firms that have been successful nationally and regionally. There is scant research on how organisations can develop a culturally authentic identity as a distinguishing feature (Lai & Zaichkowsky, 1999) and how this can be a basis to compete with large corporate networks. The overarching question we seek to answer in this paper is “How can authenticity be developed as an innovative driver of a firm?” We look at the features of three animation firms in Malaysia and attempt to explain how their development relates to authentic innovation. The final sections of the paper discuss the implications of the study and provide a framework for furthering the conceptualization of authentic innovation.

We take a holistic perspective (Jackson, 2006) in our analysis of the animation firms. This involves examining the challenges faced for the firms and how they could be overcome. Key factors that impacted on their success were related to how they tapped into authenticity by developing products that embedded cultural values. The discourse that was developed with consumers created a lifeworld (Standing, Standing, & Law, 2013) around the animations. Studies examining holism often fail to define it (Mulej, 2007) and is thought of as an approach that considers a broad view of a system. Holism implies a high degree of coupling between related systems and sub-systems and so focusing on a subset of a problem space (reductionism) robs the problem of its complexity. A number of research studies have examined the concept of holistic innovation (Chen, Yin & Mei, 2018; Milne, 2017). Four core elements of holistic

innovation are proposed: holistic innovation is a strategic approach, holistic innovation impacts all aspects of a system, holistic innovation involves an open system design, and collaboration is a fundamental activity. Authentic innovation and holistic innovation have some similarities in that authentic innovation requires a strategic approach, impacts all aspects of the organization, requires a high level of disclosure and transparency, and involvement of consumers and stakeholders in a dialogical process.

What is authentic innovation?

Authenticity is a subjective assessment that can be seen from many different perspectives (Beverland, 2005). However, authenticity requires accurate self-knowledge and the implementation of conscious and informed decisions that produce a “true to self” mindset. From an organisational perspective authenticity is seen as a way to differentiate an organisation and its products whilst remaining “true” to an organisational ethos, its values and its brand image (Kapferer, 2012). Authenticity is seen as being genuine, sincere and original (Napoli, Dickinson, Beverland, & Farrelly, 2014).

Innovation is the product of a creative process, where constraining norms are challenged in order to develop a different reality (Steiner, 1995). Authenticity is linked to innovation through the creative process and the desire to remain “true” to self. Authentic innovation, as a composite of authenticity and innovation can become a differentiator in competitive markets and build a corporate image. The following sections of the paper will examine these concepts in more detail, explain the research design, and then present the findings, discussion and conclusion.

Authenticity and Innovation

Authenticity is often constructed as a differentiator in product or brand development (Beverland, 2009) but is not in itself an innovation. Authentic actions that result in a unique product create authentic innovations. Authentic behaviour, from an existential viewpoint, involves making conscious, informed choices that are based on accurate self-knowledge (Goldman & Kernis, 2002). An examination of societal norms and incongruence between personal beliefs and social restrictions leads to psychological conflict. The conflict between the inner self and societal norms can result in expression outside the norms that can produce creativity or innovation. Existential literature has often described the search for authenticity in terms of inauthentic behaviour and tensions between the “real” self and social strictures (Golomb, 1995). The existential underpinnings of authenticity is the foundation for studies around psychological wellbeing (Heppner et al., 2008), job satisfaction (Goldman & Kernis, 2002; Svejenova, 2005) and discussions of authentic leadership (Gardner, Cogliser, Davis, & Dickens, 2011). The conception of an authentic self presupposes its existence beneath external sociality and materiality, but actors in social situations constantly tailor revelations of their real self to suit the situation (Franzese, 2009). Conversely self-help groups involved in uncovering a true self, judge the presentations of group members based upon constructed norms and pre-formed behaviour expectations and behaviour outside these norms is considered inauthentic (Holden & Schrock, 2009). Therefore, authenticity is judged against pre-existing social norms and is circumscribed by its narrative within a social context.

Cultural structure, stemming from political, religious, and institutional structures

influence the thoughts, feelings and ambitions of actors (Standing, Sims, & Love, 2009). Authenticity within these structures involves behaving in a “true to self” manner or being perceived as acting in this way and what is seen as being authentic changes as societies evolve (Peterson & Anand, 2004). Authentic innovation occurs by examining structural norms, searching for something more representative of a “self” identity and implementing change if needed. Building a self-identity for an organisation involves creating an organisational personality that is recognisable and communicable (Kapferer, 2012).

Religion strongly influences culture and the actions of believers. In cultures with strong religious beliefs self-identity is tied to religious doctrines and the search for purpose (Golomb, 1995). Religion creates a structure of values that significantly influences the daily lives of believers. Golomb (1995) reflects on Kierkegaard’s proposition that religious belief is the most authentic and authoritative thing imaginable and achieved through the passion for God, concluding that in cultures lacking religious strength authenticity becomes more centred on the power of the individual.

The importance of an individual’s wellbeing has been studied through aligning authenticity and job satisfaction. The degree to which an individual feels satisfaction with a job role is related to the degree of authenticity between self -understanding and work roles (Goldman & Kernis, 2002). Authenticity involves satisfying growth orientated needs (Maslow, 1968) by following “an unobstructed operation of one’s true or core self in one’s daily enterprise” (Goldman & Kernis, 2002, p. 18). Contextual change and social influences in the film industry have been related to self-authenticity as an expression of self-identity in the manufacture of images throughout a film maker’s career (Svejenova, 2005).

Cultural authenticity is embodied in an artefact, such as animation, through the cultural and belief systems that underpin its creation and production. Claims of cultural authenticity are widely made by experts such as anthropologists, historians and marketing strategists in order to differentiate people, products, art forms and experiences (Peterson, 2005). However, categorisations of authenticity can appear inauthentic when viewed from an alternate context, and even denigrate local inventive cultural expression (Theodossopoulos, 2013). Cultural traditions are often exploited to showcase authenticity at a certain time, in a certain place, attached to an object or event and this involves a reconstruction of reality. Reconstructed or imagined authenticity is a form of cultural consumption that is tailored to satisfy market expectations. Think of a tour of the Greek islands to view the ancient monuments, or the purchase of a souvenir from your last holiday. Travel and leisure experiences based on cultural heritage are often advertised as the “real” thing to entice customer participation. The audience are made to feel that the cultural experience is authentic (Kolar & Zabkar, 2010) but it may be an inauthentic representation of local culture and current viewpoints (Cornet, 2015). The disconnection between an imagined culture and the existing local culture reflects a dichotomy between the authentic and inauthentic across different contexts and time frames. An examination of cultural authenticity should consider the viewpoint of local actors and their connections with cultural traditions at the present time. In this way a cultural lineage of production should emerge.

The audience appeal of an animation to a cultural identity and organisational authenticity has underpinned the achievements of some animation companies. Although the US animation industry has dominated globally, Japanese animation has had notable success

domestically and in exporting animation to the US. The animation industry in Japan was initially influenced by the US animated films and early Japanese animations imitated this style (Daliot-Bul, 2014). The emergence of anime, where fewer frames per minute are filmed, as a distinct animation style emerged in Japan in the 1960s and expanded rapidly in the 1970s through the production of animated television shows. This provided a lucrative domestic market that became the foundation of the Japanese animation industry. The US international market was ten per cent of the industry's sales value and was not seen as critical to the overall success of the sector (Daliot-Bul, 2014). The distinctive nature of anime provided a form of cultural capital which can partly explain its success in the US. However, global leaders are always looking for the 'next thing' and attempting to predict audience preferences. Niche markets are squeezed as a result of resource allocations and audiences are subjected to changes made in management directions.

Every animation is the outcome of a multi-dimensional project and a lengthy production process where each stage within the project is crucial in creating the finished product. Artistic content is input throughout the development of an animation, from the director's artistic vision, the creation of art work and visual effects, the selection of sound and rendering and editing the art work. A vast array of knowledge and skills are integrated into the production of an animation, whether it is a short animation, game or feature length film.

The business models for animation production utilise various forms of partnership, co-production agreements and joint ventures with global partners. The availability of national subsidies for the film industry has made co-production an attractive strategy. Subsidies enable organisations to explore global market opportunities and lower

production costs. In resource poor countries product innovation can be built through exploration of existing resources, improvisation from existing resources and examination of frugal innovation when affluent customers are scarce (Cunha, Rego, Oliveira, Rosado, & Habib, 2014). As co-production has increased, animation studios in China and India have become important co-production partners of studios in Europe, Japan, and North America. Production is the most labour intensive phase of the animation project and it is often carried out in the country with the lowest labour costs. From the point of view of the major studios, co-production can provide flexibility while working with small studios and bring new and fresh creativity from other countries. However, the ideas have to resonate with the business executives responsible for projects and budgeting to have a chance of being accepted. Individuals tend to have stereotypical cultural biases that can influence decisions about the audience appeal of creative output (Moeran, 2005). Additionally, communication across global networks necessary for co-produced animation projects can cause problems through the differences in institutional structures, language and cultural understanding (Cole & Barberá-Tomás, 2014).

The role of government to facilitate start-up success can be critical, particularly when industry entry barriers are high. ICT infrastructure and labour skills are prerequisites for an animation industry and without government assistance these would not exist in many countries. Even with government support starting an animation firm involves a high degree of investment and provides little guarantee of success. The animation process is very labour intensive with labour costing between 70-80% of an animated film's budget (Asian animation industry 2015: Strategies trends & opportunities, 2015). It can take several months to produce a ten-minute animation to an acceptable standard of quality.

The IT infrastructure has to be able to handle the computing demands of animation and global communication. Management and marketing skills are also invaluable in this industry where marketing the animation and creating a distribution network are critical for financial success. A popular animation provides additional opportunities to develop, merchandise and license related products. A significant amount of revenue can be generated from merchandise (toys, games, books etc.) and brand franchising (fun parks, themed cafes and restaurants etc.). Government involvement in the development of the animation industry is important at an advisory and financial level to help establish start-ups, develop brands and produce merchandise.

As the animation industry continues to globalize local production may be eroded as a supranational animation culture develops (Daliot-Bul, 2014). The reliance on global organisations with imposed project restrictions that divert focus from organisational authenticity could curtail the development of independent entities and restrict local creativity. Government support that promotes the use of local animation firms as resources for international organisations compounds this issue when production rights remain entirely with the outside organisation. The Chinese government heavily supports the Chinese animation industry and it provides financial assistance and infrastructure to encourage international organisations to use Chinese labour for their animation projects. This produces employment and develops skills in the industry but it could inhibit the development of authenticity in Chinese animation projects (Keane, 2009). To offset this, the Chinese government expects that a proportion of projects supported by government assistance be produced in China and aimed at Chinese audiences. Oriental DreamWorks, based in Shanghai, is a joint venture between DreamWorks Animations and three

Chinese film studios. It will diversify from DreamWorks' animation focus to produce live action features using Chinese artists and stories, but will also work on a traditional Chinese folktale as a feature length animation (Frater, 2014).

Research design

In order to investigate the relationship between the concept of authenticity and innovation success we conducted qualitative analysis of three animation firms (Silverman, 2000).

The guiding research question for this study is “How can authenticity be developed as an innovative driver of a firm?” Interview data is the primary source for the case data and follows the research approach consistent with the case study methods followed by Tucker, Friar, & Simpson (2012) in studying product development in two start-up organisations against norms in large established organisations.

The case study method was used because it enabled an exploratory examination of the authenticity concept (Yin, 2009). The case study organisations were chosen (purposive) from a country with a developing but small animation industry and because of their successful experiences in the sector (Silverman, 2000). All case organisations were chosen from Malaysia. They agreed to participate because they were interested in reading the findings of the study. Informants in each organization were selected based upon their knowledge of organisational challenges and the strategies used to establish the organisation and compete in the sector. A grounded approach was taken for gathering data (Urquhart, 2012) allowing informants to put their own views without too much leading from the researchers. This was especially important, as the researchers were outsiders in this community. The exploratory nature of the investigation required asking

open-ended questions that would elicit information about operating in the animation industry in Malaysia and the larger international arena. Issues that were seen as barriers to success were also discussed. Senior management was selected as the initial source of information for the case data. Management support enabled us to include other employees as informants in the study. The additional informants were contacted through the organisation via email or invited to participate in the study through face-to-face communication at their organisational premises.

In addition to interviews, data gathering involved observation of employees in the workplace as the researchers spent considerable time on the premises of the animation firms. Observation enabled the researchers to understand the animation processes and the working rhythms within the firms. The research also involved analysis of social media comments on the firms' Facebook pages.

The data gathering from the organisations (Les' Copaque Production, Animasia Studios and Animonsta Studios) was conducted over two trips to Kuala Lumpur, one lasting two weeks and another lasting a month. The case interviews and follow-up interviews were undertaken on the organisational premises of the informant, during normal office hours, and lasted between 30 and 40 minutes on average. All participants had a good understanding of the English language and we could communicate without the need for an interpreter. In total there were twelve informants from Les' Copaque, six from Animonsta and five from Animasia. The questions asked of participants were closely related to the concepts of firm success, challenges and barriers. The questions were expressed in relation to work context and phrased in language appropriate for their practice domain and level of English language skill.

Following the grounded approach, transcriptions were analysed at a conceptual level using a qualitative content analysis approach to classify themes and subthemes from the interview responses (Urquhart, Lehmann, & Myers, 2010; Yin, 2009). Two researchers analysed the transcripts and then classified the responses according to high level conceptual perspectives related to authenticity and innovation. Through an iterative analysis approach (Urquhart, Lehmann, & Myers, 2010) key themes emerged related to the organizational profile, government support, organizational identity and the relationship with consumers. Any anomalies between the researchers were resolved through discussion and re-analysis of the transcripts (Krippendorf, 2004).

Findings

A number of key themes emerged across the case organisations. All three organisations were passionate about creating a Malaysian animation industry. They also aimed to produce animations for international distribution. Moral values were strongly represented in the animations and the stories appealed to adults and children alike. Employees in the organisations were typically young and were able to learn many of their skills on the job.

Malaysia is a multicultural society with a population of approximately 30 million of which almost 60% are Muslim (Malaysia population 2014, 2014). Communicating values founded on Malay and regional culture was fundamental to the development of the animations' story lines at Les' Copaque, Animonsta and Animasia. It was felt that this was critical in the success of the animations. Honesty, respect (particularly for elders), less emphasis on materialism, importance of family and friendship and non-violent behaviour underpin the story lines. A manager at Les' Copaque termed it "*soft Muslim in*

tone”. This was a strategic approach to create a unique product aimed primarily at gaining audiences in the Malay and Indonesian markets. The Upin and Ipin short animation concept, in particular, illustrates success through authentic innovation. Upin and Ipin were developed to generate interest in the animated feature film “Geng” and its success reflects the audiences’ response to its authenticity. The Les’ Copaque owners wanted to tell stories that reflected Malaysian values and the creative team wanted to stretch their skills. After many discussions the Geng and Upin and Ipin concepts were agreed upon. The Director’s wife was responsible for the storylines. At the time Upin and Ipin was released there were few 3D animations suitable for a young audience and none that reflected local cultural values in a setting that resonated with a Malaysian cultural heritage. The 3D animation was a unique product, portraying Malaysian village life whilst promoting moral and religious values. Les’ Copaque continues to build on this foundation.

The organisations were founded in 2005 (Animasia), 2007 (Les’ Copaque) and 2009 (Animonsta). Western and Japanese forms of animation are widely broadcast in South East Asia and in 2005 the animation industry in Malaysia was none existent: “*Most animation work undertaken was obtained through sub-contracting or commissions*” (Animasia Director). All the organisations were passionate about creating a Malaysian animation film industry and developing their own intellectual property. Animasia was founded by four colleagues who were passionate about bringing Malaysian animation to local TV stations. One of the founders had a background in film distribution and used his knowledge to negotiate local distribution of two animations projects: “*It was a dream come true*” (Animasia Director). Bola Kampung and Asian Folktales were the first 2D

animations from Animasia released on TV and *“the ratings were superb”* (Animasia Director). Bola Kampung is aimed at a 4-15 age group and the stories follow a group of friends competing in street soccer tournaments; Asian folktales are animated versions of folklore from around South East Asia. Les’ Copaque began with an ambitious goal to produce a 3D animated feature film based on life in a Malaysian kampung (village) called Geng. The project went ahead despite scepticism that the small, inexperienced team could complete such a large project. To support the feature, short 7- minute animations were also released featuring Upin and Ipin, twin boy characters from the film. Geng was the first 3D feature length animation made in Malaysia. Animonsta was founded in 2009 by former directors of Les’ Copaque to produce animations with global appeal, featuring a super-kid character, BoBoiBoy for ages 7-12: *“We developed BoBoiBoy to look more Asian, not Malaysian only, but more international”* (Animonsta Director). Each organisation still produces animations based on the original concepts and have extended their product offerings. The movement of management staff between organisations creates a support and knowledge network for the Malaysian animation industry: *“We do a lot of things together; we discuss international sales and are in touch with the broadcasters and everything”* (Animonsta Director).

In line with the national ICT agenda, the government and an ICT area established in Kuala Lumpur to encourage start-ups have provided infrastructure. Government support has helped the organisations by providing advice on marketing and tax incentives at the start-up phase. The Multimedia and Development Corporation also gives help and advice on international markets, arranges meetings with broadcasters and provides information on incentives and subsidies. If a Malaysian animation company obtains international

funding for a project the government will provide 30% towards the project cost. This can be an incentive to tailor products to international markets. Les' Copaque resisted government advice to develop western-styled superhero stories and continued to produce stories relevant to the Malay cultural and religious heritage. Animasia produces "Supa Strikas," (a 22 minute episode 2D animated series, based on the adventures of a super league soccer team, aimed at a 7-11 year old audience), for the global market, which is broadcast in 65-70 countries. Animonsta is in the process of re-branding their successful BoBoiBoy 3D animation as BoBoiBoy Galaxy with a more adventure based story line to be produced with Tomy.

The high cost of producing animation, strong market competition and decreasing licencing fees from broadcasters led all the organisations to acknowledge that revenue growth largely depends upon extending their intellectual property beyond the animation, through licencing the IP, franchising, partnering and developing peripheral products for example. The organisations lacked the resources and cross-disciplinary teams that larger organisations have access to and marketing budgets were limited. Interestingly the organisations were not unduly concerned about their intellectual property being used on unlicensed merchandise. The attitude was that this helps establish their characters, at no cost to the organisation, and merchandise is available at lower prices than the company could obtain. Manufacturing is a time consuming and difficult process and deals with manufacturers are sought to help develop intellectual property and increase revenue streams. Animonsta has recently entered an agreement with Tomy (Japan) to manufacture a range of toys and produce animations, in 2017, that respect Muslim clothing and culinary traditions. Animasia has affiliations with Umbro through the Supa Strikas

intellectual property for soccer related merchandise. Merchandise is sold online as well as in stores. The existence of reproductions and unlicensed material could heighten the desire for authenticity in a society where reproduction is easy and widespread (Cobb, 2014) so branded merchandise will still be desirable. The organisations have had success in franchising their IP, licencing restaurants and even theme parks for example, to build their brand.

Lack of resources and the start-up nature of the animation industry in Malaysia created an environment where the passion to build a successful organisation and create a local industry drove creativity and the desire to meet the needs of the local communities. Each organisation has created an internet presence by utilising the existing creative and technical skills in the organisation to connect with their audiences through social media. Social media use has been a low cost method of increasing brand and product awareness and a valuable tool for obtaining feedback on animations before they go into production. Facebook, Twitter and YouTube are the main technologies used to promote the company brand, the animations, and the related products and allow interaction with the audiences. Before Les' Copaque produced any animations they used social media to gain feedback on characters; this has proved invaluable in the development of the animations: *The first drawings of Upin and Ipin were really ugly and no one liked them very much.*" (Animator, Les Copaque). *"We don't have the time or budget to go back and do things again"* (Director, Les' Copaque). This type of interaction occurs for all the organisations and feedback is reviewed and taken seriously: *"When we looked at our feedback we saw that 20% of the audience was older than we expected, so we incorporated some older characters to make it more appealing to them"* (Director, Animonsta). Episodes of the

animated series are available on YouTube and dedicated web sites and most videos have several hundred thousand views. The generation of communication between the audience and the organisation strengthened organisational and product authenticity.

Understanding international markets is a communication challenge that could create brand inauthenticity (Cole & Barberá-Tomás, 2014). Brand authenticity is especially important because it has a positive effect on brand loyalty (Choi, Ko, Kim, & Mattila, 2015). A small step towards building brand authenticity can be illustrated from the example of target audience age ranges. To make the animations more authentic to the US audience the age ranges were lowered: *“That has a lot to do with our culture and our society where our kids don’t mature up as fast. In Malaysia 6-12 means 6-12 in other places it would probably be 3-6”* (Animonsta Director).

Authenticity at an individual level was observed in the commitment to the projects, the passion for the work and the satisfaction felt by acquiring new skills and capabilities (e.g. developing IP, overcoming challenges). Greater self-authenticity is related to higher levels of self-esteem (Luthans, Norman, Avolio, & Avey, 2008) and the employees were confident in their ability to achieve results and build a successful company. The majority of staff members were recent graduates and had a degree of autonomy to use and develop their skills. This enabled them to design their jobs to satisfy both personal and organisational needs. Delivering an authentic product also contributes to higher levels of job satisfaction (Ménard & Brunet, 2011) and the informants all felt they were involved in producing a product representative of their beliefs and career goals. Staff movement between organisations highlights authenticity in a career path as skills and knowledge are acquired that enable a progression toward attaining greater goals. The employees at all

the organisations are mostly in late teens to late twenties age range. They are enthusiastic about their work and many are: *“still watching animation from around the world, still playing games so they are immersed in that. When they are given the opportunity to create something they say ‘wow, I want to create something good for our market’. We get a lot of input coming in and creative guys filtering that”* (Director Animasia).

Animators had typically completed a degree in animation at university in Malaysia focussing on technical skills, but all the organisations acknowledged that creativity in storytelling, directing and producing needed to be incorporated in training courses.

Technical skills related to using animation software effectively are important but it was generally felt that computing skills could be learnt over time. One of the most important skills for 2D animation is drawing ability: *“even if they can’t use a computer it’s fine as long as they can draw”* (Director, Animasia). Animasia feels that it has a competitive strength in training and building their employees profiles. They are allowed to work on all aspects of a project and experience working on international projects. *“There are a lot of studios around town constantly trying to poach our people”* (Director Animasia).

Storylines are the foundation of an animation and finding creative storytellers and scriptwriters is a resourcing challenge. Animasia hires professional scriptwriters from the UK or USA to fill this knowledge gap and help make their animations more accessible to an international audience, one cultural difference in scriptwriting is highlighted by the comment: *“we are not very good at making jokes for those audiences* (Director, Animasia).

A related human resource challenge is the management of the employees. Animonsta faced an issue with the irregular work hours favoured by the animation artists. The artists

were “*quite hardheaded, and want to do their own thing*” (Director Animonsta). They typically liked to work in the evenings and on their own, which made organising and managing projects difficult. Changing working hours to a compulsory 9am-5pm-work day was promoted to the employees as developing professionalism (building organisational identity and authenticity) and it enabled the creative teams to be managed more effectively. Additionally it encouraged the artists to work together and created a team environment.

Discussion

Figure 1: Conceptual model of authentic innovation in the animation industry

The discussion is based on the conceptual model illustrated in figure 1. Grounded theory is often just thought of as a coding technique but can be used to generate theory (Urquhart, Lehmann, & Myers, 2010). This is done by abstracting themes in the data and identifying key relationships. Figure 1 that results from the data is an abstraction of themes to more generic factors. These are organizational identity, government and university support, the creation of a dialogue with a consumer base that validates authenticity.

Taking a holistic perspective enables understanding of the manifold contributing factors in the success of the animation sector and the relationships between the factors. The Malaysian animation experience is viewed through the holistic innovation framework proposed by Chen, Yin & Mei (2018).

Strategic approach

The firms took a strategic approach that differentiated their animation themes based on their cultural identity rather than trying to replicate a western animation approach. The focus on producing animations that reflect national and regional culture and core religious values provides a competitive uniqueness that is not easily replicated by those outside the culture. Young designers, artists, storytellers, voice actors and business managers are proud to produce animations that reflect their own culture and context. The pride and enthusiasm in promoting their own ‘story’ is communicated to a receptive audience of children and adults and reaffirms the values of a collective identity. This strategy embodies both technical and creative capabilities, providing interesting and challenging work for graduates. Contrast this with the scenario where creative and cultural authenticities are missing such as the scenario where animations are produced for large corporations because of lower labour costs.

Authenticity is interpreted through the context of an innovation, hence one model of authentic innovation may not be successful in other contexts. Cultural authenticity for example may need to strike a balance between authenticity to a particular context and the size of the market. However, this context dependency enables scope for many forms of cultural authenticity to be developed.

Broad view of the system

The broader firm environment was supportive of the animation sector. The animation sector in Malaysia is partly a product of a national agenda for development. The national narrative of using ICT as a development mechanism has encouraged and enabled firms to

not only start-up but also to be competitive internationally. The national development plan has been supported by government advisory agencies and tax incentives. Training has been funded and universities offer animation courses and produce a steady supply of trained graduates. Alignment with the national development agenda, particularly in ICT, has contributed to the success of the firms in this study. Organisations in resource poor countries may be able to tap into government support for organisational development. However, it is unlikely that this alone would have been sufficient for these animation firms to flourish in a highly internationally competitive sector composed of formidable networks.

Government support is crucial to help establish organisations in competitive industries. Infrastructure, financial incentives and knowledge creation are especially important to organisations trying to break into an established network of global partners. Education and training courses have to be structured to meet organisational needs and train graduates in the skills needed in the local industry. Competition with countries with greater populations makes structuring training to industry needs crucial for the continuation of the Malaysian animation industry.

Open design and Collaboration

The “true to self” value based identity that is the foundation of authentic innovation is not a static entity, rather it becomes a process that evolves as the firm grows, partly based upon a need to update and expand product offerings but also as a result of audience expectations and desires. Authenticity requires audience validation to be viable as a strategy and this happens through a social process where “talkability”, through social

media for example, is enabled.

There are links between authenticity and design thinking. One view of design thinking is the creation of meaning rather than just an artefact (Johansson-Sköldberg, Woodilla, & Çetinkaya, 2013). Krippendorff (2006) argues that meaning is the core of the design process and the product becomes a medium for communicating these meanings. Verganti (2009) supports this view by suggesting that innovation in meaning can be just as important as technological innovations. The success of the animation industry in Malaysia is based upon innovation in meaning in relation to tapping into national and regional values and shared understandings.

The cross-disciplinary implementation of innovation can disadvantage small organisations that have limited resources (Cunha et al., 2014) but small organisations can build a creative advantage through the management of innovation. Losing sight of the innovation effort is a common characteristic where multiple functions, resources and disciplines are involved (Van de Ven, 1986). The production of an animation requires cross-disciplinary interaction and includes business knowledge, networking ability, marketing skill, artistic creativity, and project management throughout an animation project. The directors of small animation studios have intimate knowledge of their organisation, goals and projects; by helping employees recognise their part in the innovation process and encouraging involvement in developing ideas.

An organisational ethos is based upon the development and implementation of a consistent strategy and values statement; in the context of our cases it is an extension of the value based authentic uniqueness. To communicate the differentiation, an

organisation should build an organisational personality that is the external feature that clients and customers relate to (Bhargava, 2008). An organisational personality evolves from generating talk about its unique, authentic products and is the soul of the brand that people get passionate about.

Challenges going forward

The revenue from distribution licenses provides only a small contribution to a studio's revenue stream. Decreasing licensing fees and the lengthy production process require the studios to generate alternative revenue streams to maintain operations and develop new ideas. A diverse range of business skills is needed to manage and promote the studios' intellectual property. Balancing economic realities with creativity is a major challenge for the studios: As one director said, "Survival first then creativity". This is especially challenging when success in the international market is an organisational "dream" and local authenticity does not appeal to international distributors.

Recruiting and retaining an animation production workforce will continue to be a challenge because creativity requires self-expression. Movement between studios and the establishment of many small independent organisations creates a micro-industry structure, which can be more easily dominated by the larger organisations.

Practical implications

The study highlights that firm success in a highly competitive sector can be achieved when authenticity creates a distinct uniqueness. Authenticity can be interpreted in a

number of ways including a valuation metric arrived at by tracing an artefact's provenance, a branded authenticity created by marketing activity, and a psychological authenticity, but authenticity is socially validated. In the creative industry authenticity can be interpreted as a focus on local culture and values resulting in the creation of a culturally relevant art form, for individuals it may mean building on a particular adept skill or unique knowledge whilst remaining true to one's self-ideals and a brand authenticity has to resonate with the customer. It is the tensions between authenticity and societal norms that create innovation. Organisations have to tread a fine line between innovation and authenticity and balance both areas to avoid being seen as inauthentic and alienating loyal supporters. Innovation managers have to be aware of the organisational image and the potential impact an innovation will have on corporate image. Disney lost some of its organisational authenticity when it moved from family orientated productions into more adult oriented productions changing its corporate image.

Authenticity in relation to innovation is an emerging field and this paper has used exploratory case studies to examine how authenticity can be developed. Further case studies could examine authenticity in different settings to determine if other factors come into play and how the authenticity concept can be developed through time as the business grows. Action research also could be undertaken that seeks to develop guidelines that integrate design thinking and authenticity.

References

Aoyama, Y., & Izushi, H. (2003). Hardware gimmick or cultural innovation? Technological, cultural, and social foundations of the Japanese video game industry.

Research policy, 32(3), 423-444.

Asian animation industry 2015: Strategies trends & opportunities. (2015). *Research and Markets*. <http://www.researchandmarkets.com/reports/3073228/asian-animation-industry-2015-strategies-trends#pos-1>

Beverland, M.B. (2005). Crafting brand authenticity: The case of luxury wine. *Journal of Management Studies*, 42(5), 1003-1029.

Beverland, M. (2009). *Building brand authenticity: 7 habits of iconic brands*.

Basingstoke, UK: Palgrave Macmillan.

Bhargava, R. (2008). *Personality not included: why companies lose their authenticity and how great brands get it back*. McGraw Hill: New York.

Chen, J., Yin, X., & Mei, L. (2018). Holistic Innovation: An Emerging Innovation Paradigm. *International Journal of Innovation Studies*, 2(1), 1-13.

Choi, H., Ko, E., Kim, E. Y., & Mattila, P. (2015). The role of fashion brand authenticity in product management: A holistic marketing approach. *Journal of Product Innovation Management*, 32(2), 233-242.

Cobb, R. (2014). Introduction: The artifice of authenticity in the age of digital reproduction. In R. Cobb (Ed.), *The paradox of authenticity in a globalized world*. New York: Palgrave Macmillan.

Cole, A., & Barberá-Tomás, D. (2014). Negotiating conventions and creating community: the case of Cartoon and European animation. *Journal of Economic*

Geography, 14, 973-993.

Cornet, C. (2015). Tourism development and resistance in China. *Annals of Tourism Research*, 52,(C), 29-43.

Cunha, M. P. E., Rego, A., Oliveira, P., Rosado, P., & Habib, N. (2014). Product innovation in resource-poor environments: Three research streams. *Journal of Product Innovation Management*, 31(2), 202-210.

Dalio-Bul, M. (2014). Reframing and reconsidering the cultural innovations of the anime boom on US television. *International Journal of Cultural Studies*, 17(1), 75-91.

Franzese, A. T. (2009). Authenticity: Perspectives and experiences. In P. Vannini & P. J. Williams (Eds.), *Authenticity in culture, self and society*. Farnham, Surrey: Ashgate.

Frater, P. (2014). Oriental DreamWorks unveils Chinese live-action slate. *Variety US Edition*. Retrieved 18/03/2015, 2015, from <http://variety.com/2014/film/news/oriental-dreamworks-unveils-chinese-live-action-slate-1201221052/#>

Gardner, W. L., Coglisier, C. C., Davis, K. M., & Dickens, M. P. (2011). Authentic leadership: A review of the literature and research agenda. *The Leadership Quarterly*, 22(6), 1120-1145.

Global and Chinese animation industry report 2012-2015. (2012). *Research and Markets*. <http://www.researchinchina.com/htmls/report/2013/6641.html>

Goldman, B. M., & Kernis, M. H. (2002). The role of authenticity in healthy psychological functioning and subjective well-being. *Annals of the American*

Psychotherapy Association, 5(6), 18-20.

Golomb, J. J. (1995). *In search of authenticity : Existentialism from Kierkegaard to Camus*. Florence, KY: Routledge.

Heppner, W. L., Kernis, M. H., Nezlek, J. B., Foster, J., Lakey, C. E., & Goldman, B. M. (2008). Within-person relationships among daily self-esteem, need satisfaction, and authenticity. *Psychological Science*, 19(11), 1140-1145.

Holden, D., & Schrock, D. (2009). Performing authentic selfhood in an intentional community. In P. Vannini & P. J. Williams (Eds.), *Authenticity in culture, self and society*. Farnham, Surrey: Ashgate.

Jackson M. C. (2006). Creative holism: a critical systems approach to complex problem situations. *Systems Research and Behavioral Science*, 23(5), 647–657.

Johansson-Sköldberg, U., Woodilla, J., & Çetinkaya, M. (2013). Design thinking: past, present and possible futures. *Creativity and Innovation Management*, 22(2), 121-146.

Kapferer, J. N. (2012). *The new strategic brand management: Advanced insights and strategic thinking* (5th ed.). London: Kogan Page Publishers.

Keane, M. (2009). Between the tangible and the intangible: China's new development dilemma. *Chinese Journal of Communication*, 2(1), 77-91.

Kolar, T., & Zabkar, V. (2010). A consumer-based model of authenticity; An oxymoron or the foundation of cultural heritage marketing? *Tourism Management*, 31(5), 652- 664.

Krippendorff, K. (2004). *Content analysis: An introduction to its methodology* (2nd ed.).

Thousand Oaks, CA: Sage.

Krippendorff, K. (2006). *The Semantic Turn: A New Foundation for Design*. Taylor and Francis, Boca Raton, FL

Lai, K. K. Y., & Zaichkowsky, J. L. (1999). Brand imitation: do the Chinese have different views?. *Asia Pacific Journal of Management*, *16*(2), 179-192.

Luthans, F., Norman, S. M., Avolio, B. J., & Avey, J. B. (2008). The mediating role of psychological capital in the supportive organizational climate - employee performance relationship. *Journal of Organizational Behavior*, *29*(2), 219-238.

Malaysia population 2014. (2014). Retrieved 20 March 2015, 2015, from

<http://worldpopulationreview.com/countries/malaysia-population/>

Maslow, A. H. (1968). *Toward a psychology of being* (2nd ed.). Princeton, NJ: Van Nostrand.

Mulej, M. (2007). Systems theory: a worldview and/or a methodology aimed at requisite holism/realism of humans' thinking, decisions and action. *Systems Research and Behavioral Science: The Official Journal of the International Federation for Systems Research*, *24*(3), 347-357.

Ménard, J., & Brunet, L. (2011). Authenticity and well-being in the workplace: a mediation model. *Journal of Managerial Psychology*, *26*(4), 331-346.

Milne, B. T. (2017). Elements of a Holistic Theory to Meet the Sustainability Challenge. *Systems Research and Behavioral Science*, *34*(5), 553-563.

- Moeran, B. (2005). Tricks of the trade: The performance and interpretation of authenticity. *Journal of Management Studies*, 42(5), 901-922.
- Napoli, J., Dickinson, S. J., Beverland, M. B., & Farrelly, F. (2014). Measuring consumer-based brand authenticity. *Journal of Business Research*, 67(6), 1090-1098.
- Peterson, R. A. (2005). In search of authenticity. *Journal of Management Studies*, 42(5), 1083-1098.
- Peterson, R. A., & Anand, N. (2004). The production of culture perspective. *Annual Review of Sociology*, 30, 311-345.
- Silverman, D. (2000). *Doing qualitative research: A practical handbook*. Thousand Oaks, CA: Sage.
- Standing, C., Sims, I., & Love, P. E. D. (2009). IT non-conformity in the institutional environments: E-marketplace adoption in the government sector. *Information and Management*, 46(2), 138-149.
- Standing, C., Standing, S. Law, F. (2013). The Role of the Lifeworld Concept in Wiki Adoption and Use. *The Design Journal*, 16(4), 486-508.
- Steiner, C. J. (1995). A philosophy for innovation: The role of unconventional individuals in innovation success. *Journal of Product Innovation Management*, 12(5), 431– 440. doi: 10.1111/1540-5885.1250431
- Svejenova, S. (2005). 'The path with the heart': Creating the authentic career. *Journal of Management Studies*, 42(5), 948-974.

- Theodossopoulos, D. (2013). Laying claim to authenticity: Five anthropological dilemmas. *Anthropological Quarterly*, 86(2), 337-360 doi: 10.1353/anq.2013.0032
- Tucker, M. J., Friar, J. H., & Simpson, T. W. (2012). New product development practices and early-stage firms: Two in-depth case studies. *Journal of Product Innovation Management*, 29(4), 639-654.
- Urquhart, C. (2012). *Grounded theory for qualitative research: A practical guide*. Thousand Oaks, CA: Sage.
- Urquhart, C., Lehmann, H., & Myers, M. D. (2010). Putting the 'theory' back into grounded theory: guidelines for grounded theory studies in information systems. *Information Systems Journal*, 20(4), 357-381.
- Van de Ven, A. H. (1986). Central Problems in the Management of Innovation. *Management Science*, 32(5), 590-607.
- van den Bosch, R., & Taris, T. W. (2014). The authentic worker's well-being and performance: The relationship between authenticity at work, well-being, and work outcomes. *The Journal of psychology*, 148(6), 659-681.
- Verganti, R. (2009) *Design-Driven Innovation*. Harvard Business School Press, Boston, MA.
- Yin, R. K. (2009). *Case study research : Design and methods* (4th ed.). Thousand Oaks, CA: Sage.
- Yoon, H., & Maleck, E. J. (2009). *Cartoon planet: worlds of production and global*

production networks in the animation industry. *Industrial and Corporate Change*, 19(1), 239–271. doi: 10.1093/icc/dtp040

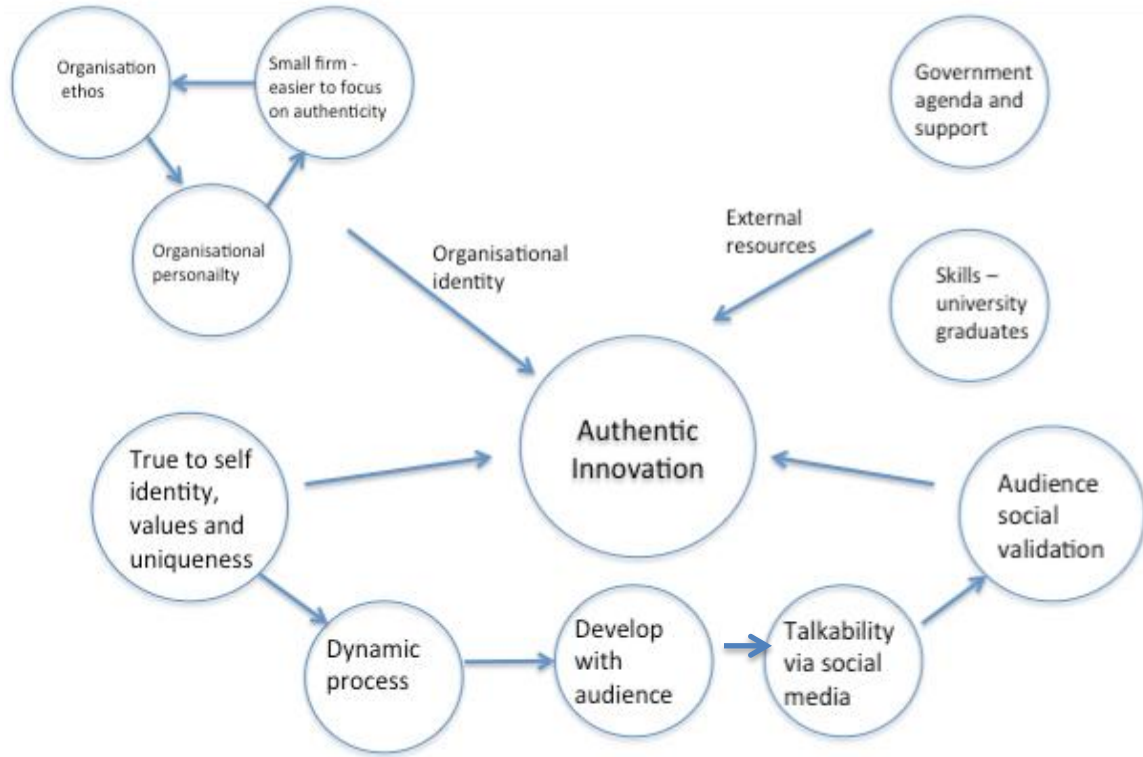


Figure 1: Conceptual model of authentic innovation in the animation industry